



The “First Dibs” Opportunity

The Billion Dollar Mobile
Economy Born By Boredom

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Forward by Mobile Posse

In 2014 we wrote “[The Ultimate Guide to the Next Big Wave in Mobile: The Home Screen](#).” Building on previous research showing that users spent significant time “navigating” their mobile device, that report rightly predicted the increasing focus on and investment in the mobile home screen.

Since that time, mobile has permeated - no, changed - our lives. Mobile is no longer “the go-to device to do something.” It’s now the “the device we use to avoid doing nothing.”

As a leader in creating engaging mobile experiences for our carrier partners and their subscribers, it is Mobile Posse’s goal to provide not just the most notable solution, but also the most notable insights into this exciting next wave in

mobile. Towards that goal, we realized that there simply wasn’t enough research being done in this space.

In our new report, we focus on why consumers unlock their phones, their first screen experience, and what it means in the context of better solutions. We have compiled the results of research efforts using passive device meters and new primary research from our partner, Phoenix Marketing International.

We hope our findings both original and beneficial.

[Gregory Wester | EVP of Marketing | Mobile Posse](#)

Forward by Phoenix Marketing International

Since our first collaboration with Mobile Posse, we've watched as mobile has transformed our lives. We've watched as research and the media have covered and debated the growth and use of the apps versus the web.

What we've also noted is the utter absence of a thorough understanding of the complete mobile journey. There has been little insight on how well today's devices fulfill our day-to-day, even hour-to-hour conscious (and increasingly unconscious) desires. There was little research on potential new experience for the mobile first screen experience. Basically, there was little thorough research at all.

Phoenix Marketing International utilized its well established Consumer Convergence 360 online platform to survey

1,000 smartphone users about their mobile motivations and intentions. Our team also analyzed hundreds of thousands of user sessions in data provided by Verto Analytics.

We believe our collaboration with Mobile Posse has provided first-of-its kind insights on how today's consumer turns to their mobile device.

We hope you find our analysis both insightful and useful, and we encourage you to reach out with any questions.

John Schiela | President, Converged Technology & Media | Phoenix Marketing International

Overview

The First Dibs Opportunity: The Multibillion Dollar Mobile Economy Born By Boredom

Everyone agrees that we use our phones when we are bored. But what isn't discussed are the implications of people doing so in short bursts, without a specific task in mind. In these instances, there's a "burden" of finding something interesting that falls to the bored user. Solutions like Apple's Today Notifications, Google Shortcuts, Android launchers like Aviate, and lockscreen takeovers, all seek to aid the bored user by intelligently presenting interesting information at device unlock.

Why This Matters

Being "first" can influence where users spend their time and where money is made on Smartphones. There is, and will continue to be, a battle for being first on the Smartphone. This battle for being first, or simply "First Dibs," will create new winners and losers, and ultimately give wireless carriers the opportunity to earn back advertising lost to over-the-top (OTT) applications.

Research Outline

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- G. And It's There For the Taking For Those Who Are Best Positioned: Wireless Carriers and OEMS

Background

The world of consumer content discovery has changed. We now absorb news and information hour-by-hour. What matters is ease and speed.

- We unlock our mobile devices 70+ times a day¹ for sessions that two out of three times last shorter than 60 seconds.²
- Almost 50% of all unlocks now occur when we have no target app in mind.³
- 50% of Facebook users agree that they use Facebook primarily for “newsfeeding”—simply to read/watch interesting stories.⁴
- 60% of consumers get their news while doing something else, rather than seeking out news.⁵

In this new world, the ability to quickly deliver interesting content via a mobile experience creates a huge opportunity. To understand this new world, we have to first understand how we use our mobile devices. To borrow from Abraham Maslow’s hierarchy of needs and success, you’d really want to know how we use the mobile device to support our self-actualization, esteem, and sense of belonging.

Source 1 & 2: Analysis of device meter provided by Verto Analytics and analyzed by Phoenix Marketing International. n=1,000 Android users for 1 week, Q3 2016;

Source 3 & 4: Online survey by Phoenix Marketing International. April 2017;

Source 5: Pew Research, 2016

Introduction to Report/Research Outline

The challenges faced by wireless carriers and OEMs have also changed. Both continue to make massive business investments and suffer from others, in particular the leading OTT apps.

- Consumer's mobile data use has exploded.
- Mobile advertising revenues have exploded.
- The carriers have little to no share of app or browser usage, and therefore, no share of the mobile ad opportunity.
- With the exception of a handful of large entities, few have the ability to build or acquire significant share.

With change comes opportunity. Today's obsessive mobile use, the desire to be in the know, and the way that our mobile devices fill our idle moments have come together to create an opportunity to better quench our thirst for information. We've named this the "First Dibs opportunity". This research report was born from this opportunity. Its goals were simple:

- Rethink how our mobile devices help or hinder today's mobile user.
- Quantify the opportunity created when today's mobile challenges are solved.
- Assess who would benefit the most from these opportunities.

Today's First Screen Delivers Little Value . . .

If the smartphone were “smart,” what users see first would be more useful.

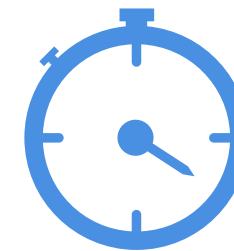
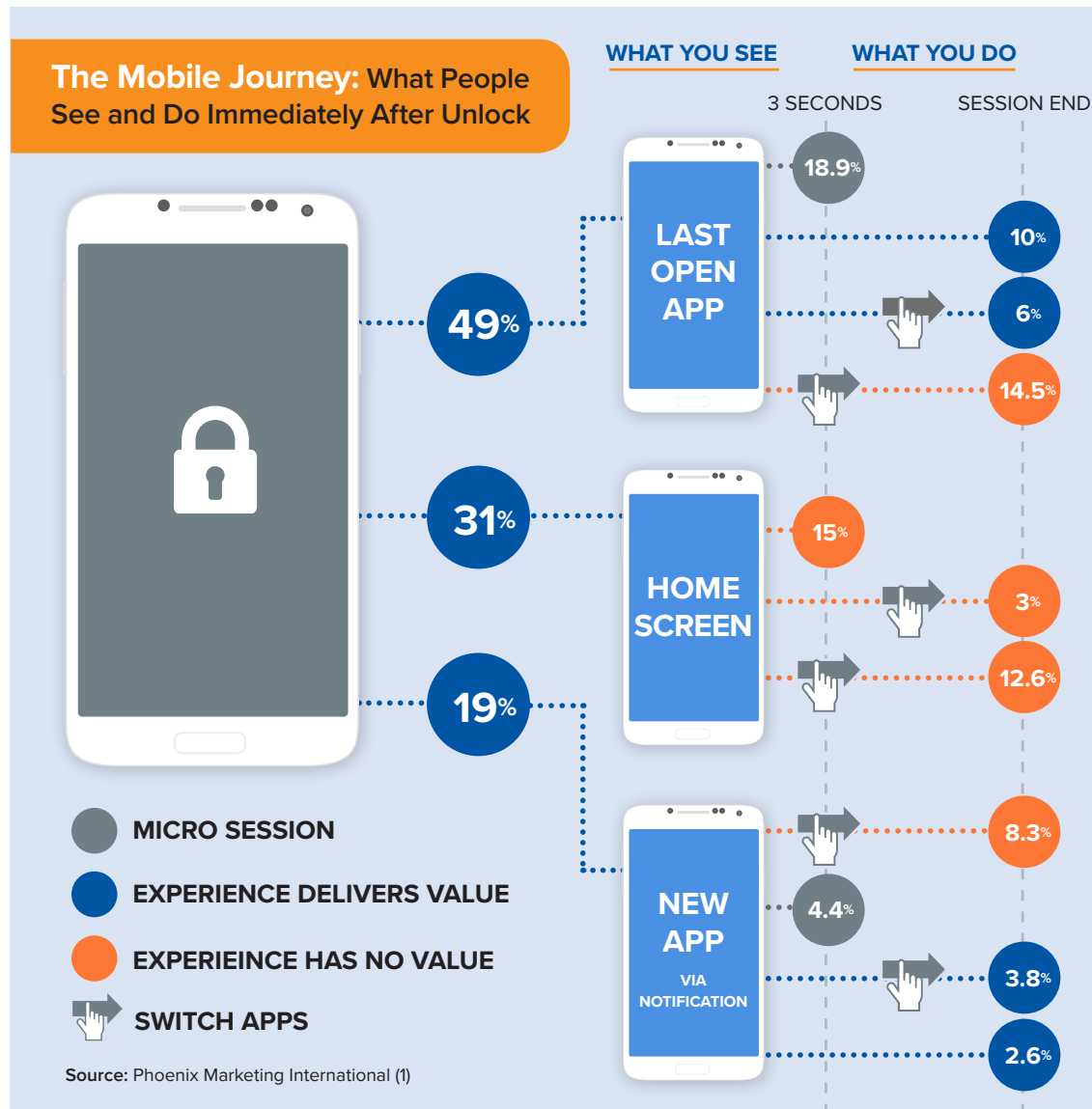
The term smartphone is a misnomer - more than half of all mobile sessions start out useless. If our phones were indeed “smart,” they’d do a better job of giving us something useful, if not, simply interesting. But they don’t. Over 30% of all mobile sessions start with the user staring at a bunch of useless icons. Another 23% of today’s mobile sessions begin with the user immediately having to close whatever app happened to be first. This 54% is the “Boredom Burden.”

What’s the number one activity on today’s “smart” phone? Today, it’s having to look for an activity on your smartphone.

The question is not, “does this behavior exist?” The question is who will solve it, and ultimately, who besides the consumer will benefit.



Today's First Screen Delivers Little Value . . . (Cont.)



23.3% of the time after unlock, a session lasts < 3 seconds.



54.3% of the time after unlock, the first screen seen has no value.

22.4% of the time after unlock, the first screen engages the user.



Especially Since “Killing Time” Seems to be a Top Activity...

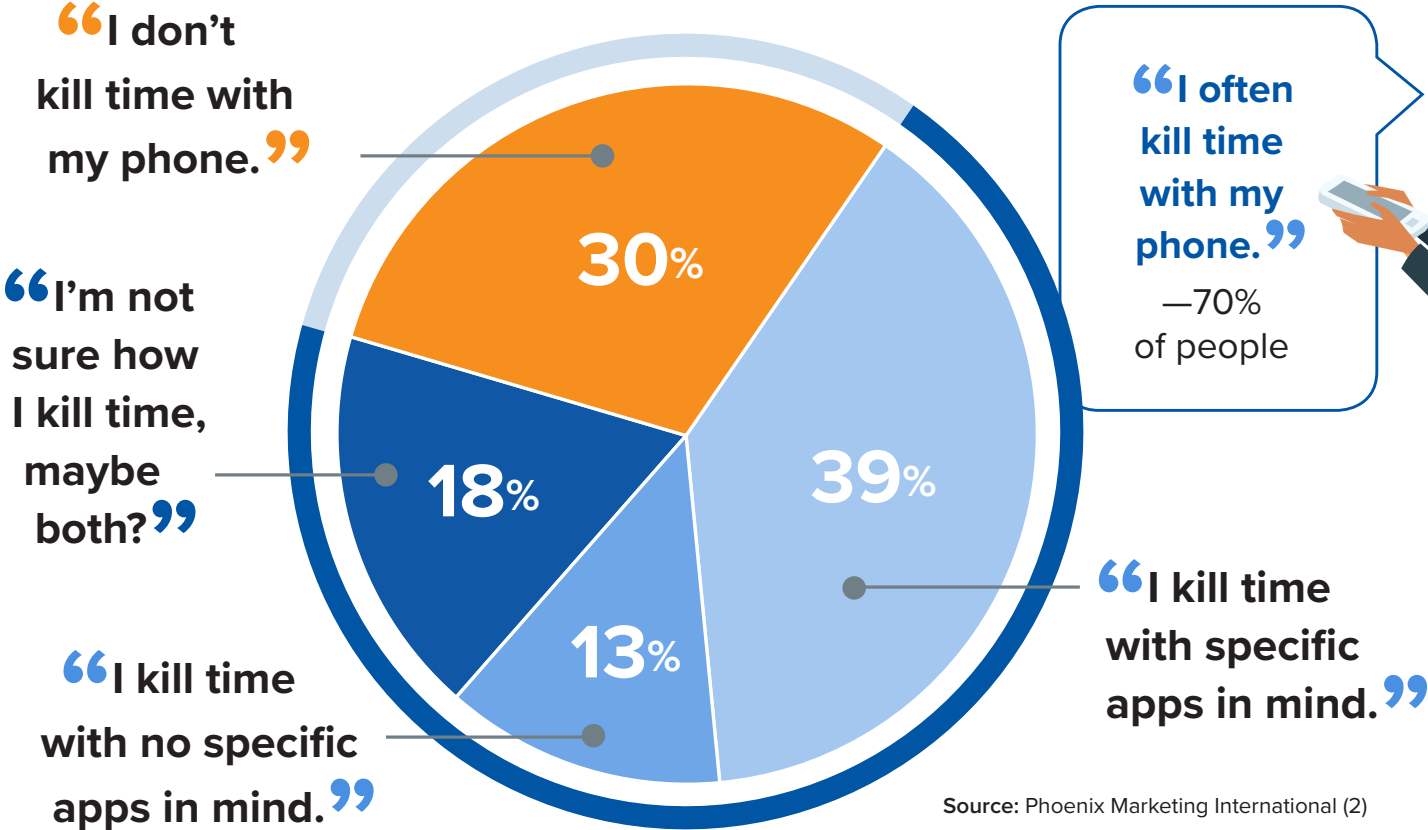
Most people agree that they “kill time”— often not knowing which app they’ll use first.

It’s not news that we use our phones when bored. We do it A LOT- waiting for coffee, at crosswalks, in bathrooms, during commercials - over 70% of people agree with the statement “I often kill time with my phone.”

However, roughly 13% of people agree that they kill time without having a specific app in mind when they unlock their device. And, when asked, people estimate that 47% of their unlocks occur with no particular app in mind.



Especially Since “Killing Time” Seems to be a Top Activity...



Source: Phoenix Marketing International (2)



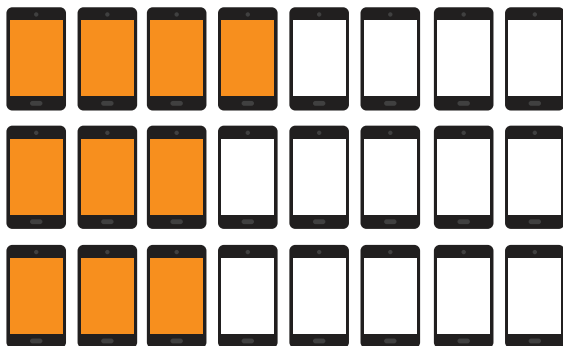
So Much So That “Killing Time” is Even Predictable.

Smartphone users at “rest” tend to stay at rest.

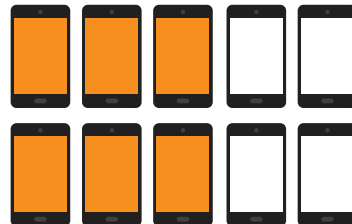
Mobile boredom is so prevalent, we can predict it.

In an analysis of over 300,000 mobile sessions, we determined that roughly 42% of mobile sessions exhibited qualities of “idle” use - identified as short, sporadic, no significant time within a category, etc.

42% of all mobile sessions are Idle sessions



61% of idle sessions are followed by another



69% of those are followed by a third session

(25% within first 10 minutes)



It's No Wonder Users Want a Better First Screen Experience...

Most people want better. Particularly those with FOMO and Media Junkies.

In Part 3 of our research study survey, we asked smartphone users the following question:

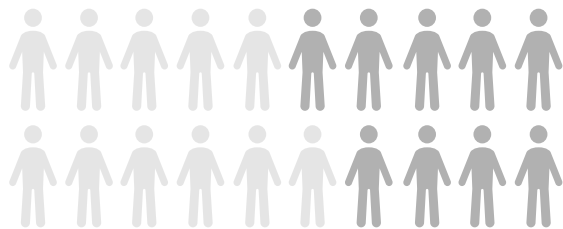
Some new phones have an advanced form of notifications where a full screen summary of interesting news, gossip, entertainment, or sports stories and pictures is the first thing you see after you unlock your smartphone. These full screen updates appear several times a day when there's something that might interest you. On a scale of 1-5, how much would this interest you?

Roughly 50% of all mobile users expressed interest. More importantly, key segments of mobile audiences expressed even higher interest in a more fulfilling experience at unlock.

Those that often engage with notifications (68%) and those that use Facebook primarily for content (72%) expressed even higher interest.

Who shows interest in a better first screen experience?

46% of all people surveyed



72% of people that use Facebook primarily for interesting content



68% of people that often first engage with notifications



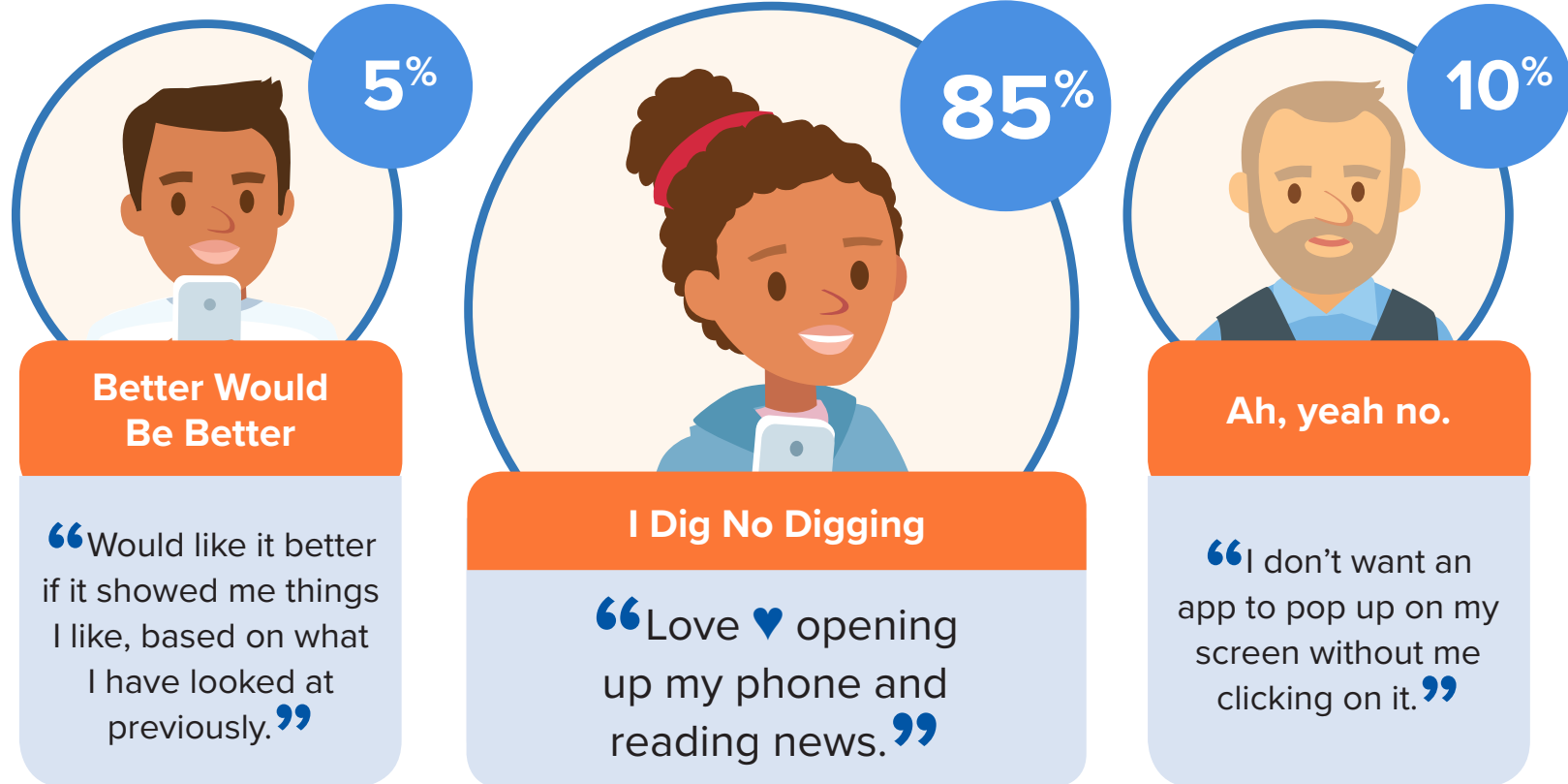
Source: Phoenix Marketing International (2)

And When They Get it, They Dig it.

People give strong ratings and positive sentiment to an improved first screen experience.

Consumers expressed high ratings for a platform that proactively delivers engaging content immediately on unlock. Almost 90% percent of users expressed a positive sentiment for the platform.

The best way to cure the “Boredom Burden” is to proactively present content to smartphone users immediately following unlock.



Better Engagement on the First Screen is a Big Opportunity...

The total “First Dibs” opportunity tops all but Google and Facebook.

Net US Mobile Ad Revenue Share, by Company

2017		
1	Google	32.4%
2	Facebook	24.6%
3	Yahoo	2.3%
4	Twitter	2.0%
5	Pandora	1.7%
6	YP	1.4%
7	Snapchat	1.3%
8	Amazon	0.6%
9	Yelp	0.6%
10	Microsoft	0.4%
11	Other	32.7%
TOTAL (in billions)		\$58.38

An estimated 2.5-5.0% of total revenue is up for grabs.



MARCH 2017 REVENUE FORECAST FROM: eMarketer™

And It's There For the Taking For Those Who Are Best Positioned: Wireless Carriers and OEMs.

Characteristics of Tomorrow's Winners:

- Awesome Experiences
- First position
- Scale
- OOTB Experience
- Customer Insights
- Keeps Native User Experience



The Time is **NOW** for Carriers

CARRIERS HAVE THE ABILITY:

- Vast Subscriber Bases
- Major Device Influence
- Scale Appeals to Partners

CARRIERS HAVE THE NEED:

- Little to No Share of Current Ad Market
- Few Have Resources to Build/Acquire
- Data Opportunity a Long Haul

Research Methodology

The research behind The First Dibs Opportunity was completed in three phases.

PHASE 1:

- Source: data from the Verto Analytics device meter, 1 week of usage data
- Users: representative Gen Pop Android users, 1 week of use
- Date: Q2-Q3 '16
- Analysis: Phoenix Marketing International.

PHASE 2:

- Source: data from the Verto Analytics device meter, 4 months of usage data
- Users: MetroPCS consumers with MetroZone app on device
- Date: Q3-Q4 '16
- Analysis: Verto Analytics

PHASE 3:

- Source: online survey response data
- Users: representative Gen Pop users
- Data: Q2 '17
- Analysis: Phoenix Marketing International

Our research partners:



Conclusions

By focusing on what mobile users see first after unlocking a device, the report validates that wireless carriers are in a favorable position to reimagine and “own” the first screen experience by delivering engaging content customized to individual users. This opens an easy and immediate entry point into the mobile advertising revenue game while also improving the overall subscriber experience. While companies like Apple, Google, and others are leading the battle to win the first screen experience, mobile carriers are in a unique position to steal market share given their vast subscriber base, device in influence, and strategic content partnerships.

Acknowledgements

This report, produced in partnership between Mobile Posse and Phoenix Marketing International, provides the first-ever, in-depth research on the complete mobile journey - in particular what users do at unlock and why. Along with primary research from both Phoenix Marketing International and Mobile Posse, the report used Verto Analytic's device meter.

A special thank you to Verto Analytics for assistance in providing data used in portions of this report. Mobile Posse and its other research partners have used Verto's data in multiple analyses, and find their data schema both detailed and easy to work with.

We also appreciate eMarketer for their market sizing work in mobile advertising. Their estimates were extremely useful in estimating the overall First Screen opportunity.